Supreme Court, U.S.
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No. 02-90

IN THE

Supreme Court of the United States

TALBERT FUEL SYSTEMS PATENTS CO.,

Petitioner,

v.

UNOCAL CORPORATION and TOSCO CORPORATION,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

REPLY BRIEF

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CORPORATE DISCLOSURE STATEMENT

Petitioner's Corporate Disclosure Statement was set forth at page *ii* of its Petition for a Writ of Certiorari, and there are no amendments to that Statement.

PETITIONER'S REPLY MEMORANDUM

Unocal and Tosco attempt to distance this case from *Festo* by asserting that the court below did not apply the complete bar rule — the now invalid ruling of the Federal Circuit in *Festo Corp. v. Shoketsu kinzoku Kogyo Kabushiki Co.*, 234 F.3d 558 (Fed. Cir. 2000) (*en banc*), *vacated and remanded* 122 S. Ct. 1831 (2002). Instead, they assert, the court applied what is akin to the "flexible bar" approach that had been rejected by the Federal Circuit *en banc* in *Festo*. *See Festo*, 234 F.3d at 575 ("After our long experience with the flexible bar approach, we conclude that its 'workability' is flawed."). Grasping at straws, Unocal even suggests that because each of the three judges on the panel below had dissented from the *en banc Festo* decision, they must have disregarded their judicial duty to apply the binding precedent established by *Festo*. Unocal Opp. Br. at 8 n.2. This rank speculation warrants little attention. One must presume that in citing to *Festo*, the panel below followed the law of the circuit and applied the complete bar rule. Nothing in the court of appeals opinion indicates the contrary. Since Talbert has the right to have its case decided under the correct legal standard, this Court should grant the petition for a writ of certiorari, vacate the judgment below in light of this Court's decision in *Festo*, and remand for further proceedings.

Even were this Court to accept the Respondents' invitation to second guess the Federal Circuit's reliance on the *en banc Festo* decision, scrutiny of the decision below reveals that the panel did apply the complete bar rule, and not the standard required by this Court's *Festo* ruling. Consistent with the complete bar approach, the Federal Circuit conclusorily held that because Talbert amended its claim and argued that its gasoline was "not the same as,

nor equivalent to" the Hamilton gasoline, Talbert was "estopped to reach, by way of equivalency, Unocal's gasoline having a significantly higher boiling range." Pet. for Cert. App. 11a-12a. The panel below, again consistent with a complete bar approach, summarily dispensed with Talbert's arguments and disregarded several matters that were fully briefed before it, never assessing whether Talbert could rebut the presumption of estoppel. The decision below misapplied the usual rules of claim construction, improperly read the prosecution history to alter the specification, and neglected to review the specification in its entirety, all of which are inconsistent with the established principles of patent evaluation but consistent with the complete bar approach. In fact, the decision below ignored the indications that Talbert, if afforded the opportunity, could rebut the presumption of estoppel. For instance, the court failed to acknowledge that those skilled in the art would not read Talbert's amendment as a limitation on the boiling point range of the gasoline, since it is impossible to produce a functional fuel that had an exclusive 121°F-345°F configuration. In short, the estoppel analysis below is devoid of any examination of either the context in which the amendment and arguments in question were made or the reasons underlying them — mandatory inquiries under this Court's *Festo* decision.

Unocal also contends that because *Festo* involved prosecution history estoppel by amendment, it should not apply to cases involving estoppel by argument. As an initial matter, Talbert in fact did amend its claim in response to the examiner's concerns regarding the Hamilton patent, thereby giving rise to estoppel by amendment. *See* Pet. for Cert. at 5. In any event, this Court drew no distinction between estoppel by argument and estoppel by amendment in *Festo*, and neither

did the Federal Circuit in its *Festo* decision. Indeed, the Federal Circuit in Festo suggested that the two ought to be treated the same. *See Festo*, 234 F.3d at 568-69 ("There is no reason why an amendment-based surrender of subject matter should be given less force than an argument-based surrender of subject matter."). It is by now well-settled that

> the totality of the prosecution history . . . must be assessed, not the individual segments of the presentation made to the Patent and Trademark Office by the applicant, it is irrelevant whether [the patentee] relinquished this potential claim construction in an amendment to the claim or in an argument to overcome or distinguish a reference.

Elkay Mfg. Co. v. Ebco Mfg. Co., 192 F.3d 973, 979 (Fed. Cir. 1999).

Unocal's attempt to distinguish this Court's GVR in light of *Festo* in *AccuScan, Inc. v. Xerox Corp.*, 122 S. Ct. 2323 (2002), is also to no avail. Contrary to Unocal's characterization, that case involved estoppel by argument, as clearly indicated by the question presented by AccuScan's certiorari petition: "Whether the holding of Festo can be expanded to allow claim term interpretations of non-amending arguments to bar literal patent infringement and to estop summarily the doctrine of equivalents." AccuScans Petition for a Writ of Certiorari, at i, *AccuScan, Inc. v. Xerox Corp.*, 122 S. Ct. 2323 (2002) (No. 01-541). *See also id.* at 13-17. This Court appropriately remanded in light of *Festo* in that case, and it is respectfully submitted that it should do the same in this case.

CONCLUSION

For the reasons explained in Talbert's petition for a writ of certiorari and above, the petition should be granted, the judgment below vacated, and the case remanded for further consideration in light of this Court's decision in *Festo Corp. v. Shoketsu Kinzoko Kogyo Kabushiki Co.*

Respectfully submitted,

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